

MINUTES

MONTANA HOUSE OF REPRESENTATIVES 56th LEGISLATURE - REGULAR SESSION

JOINT APPROPRIATIONS SUBCOMMITTEE ON NATURAL RESOURCES AND COMMERCE

Call to Order: By **CHAIRMAN JOHN WITT**, on February 5, 1999 at
8:06 A.M., in Room 201 Capitol.

ROLL CALL

Members Present:

Rep. John Witt, Chairman (R)
Sen. Tom Keating, Vice Chairman (R)
Sen. William Crismore (R)
Rep. Dick Haines (R)
Sen. Linda Nelson (D)
Rep. Joe Tropila (D)

Members Excused: None.

Members Absent: None.

Staff Present: Summer Alger, Committee Secretary
Greg DeWitt, Legislative Branch
Shirley Moore, OBPP

Please Note: These are summary minutes. Testimony and
discussion are paraphrased and condensed.

Committee Business Summary:

Hearing: HB 2 - Dept. of Commerce Budget
Executive Action: HB 2 - Dept. of Commerce Budget

HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - POL DIVISION

Steve Meloy, Administrator, POL Division, handed out and
discussed a packet on Division of Professional & Occupational
Licensing Cash Balance Projections.

EXHIBIT(jnh29a01)

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Sen. Keating asked for clarification of medical examiner's costs, along with that of engineers and appraisers, while **Mr. Meloy** continued with the discussion. **Peter Blouke, Director, Dept. of Commerce**, asked **Shirley Moore** where the money in legislature is at. **Chairman Witt** inquired how the division came up with \$28,000, and **Director Blouke** replied that it is for printing and mailing costs of information packet. **Sen. Nelson** commented also.

Sen. Keating asked if the division is defining an administrative change, then asked about a voluntary assessment. Discussion ensued on fees and CI-75.

Ms. Moore commented that each fee has to have a separate bill/act, and **Chairman Witt** asked the committee how many times they have run into fee problems, and if anyone is tracking them. **Sen. Nelson** asked **Ms. Moore** where the committee is at now with this. **Sen. Keating** inquired about what would happen if they did not raise fees, and **Mr. Meloy** replied that they would have to scale back dramatically.

Chairman Witt commented on the options on the top of page C-205 of the Legislative Budget Analysis 2001 Biennium: Agency Budgets, Vol. 1, January 1999. LFD. **Sen. Keating** commented that boards want to be State regulated to have the force of the law.

**The Legislative Budget Analysis (LBA) 2001 budget book will not be referred to as an exhibit, however, budget information from other sources will be noted as exhibits.*

Sen. Nelson inquired about the Governor's stance on CI-75, and **Carole Ferguson, Hard Rock Mining Board**, commented on the issue also. **Chairman Witt** tried to reply to the fiscal note idea, with comments from **Shirley Moore**.

Greg DeWitt and **Bill Hafferman** discussed what to do with the decision packages. **Mr. Meloy** then discussed the second through last page of the cash projections handout. **Sen. Keating** asked **Mr. Meloy** if the current fee funds are in statute, to which it was replied no, but are in rules.

Rep. Haines recommended to bring CI-75 back to the people: this is what you wrought, so how do you want (the legislature) to deal with it. **Rep. Tropila** commented on cutting the fees back, **Rep. Haines** concurred, and **Mr. Hafferman** commented that it would be a catastrophe. **Sen. Crismore** recommended to move on with the way it is at this point, and **Mr. DeWitt** inquired as to which way that is, cut or approve, but have to increase fees. **Sen. Keating**

clarified that it would be to go on with the job knowing that CI-75 could have big effects.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - POL
DIVISION**

{Tape : 1; Side : B; Approx. Time Counter : 13.2}

Motion/Vote: SEN. CRISMORE moved that THE EXECUTIVE PROPOSED FEE INCREASES FOR ALL BOARDS BE ADOPTED. SECONDED by SEN. KEATING. Motion carried unanimously.

{Tape : 1; Side : B; Approx. Time Counter : 14.7}

Motion/Vote: REP. HAINES moved that the REQUEST FOR A FISCAL NOTE ON THE POL DIVISION AFFECTATIONS OF CI-75 BE PASSED. SECONDED by SEN. KEATING. Motion carried unanimously.

Brenda St. Clair commented on the possibility of lumping the increases together within the boards. Chairman Witt replied, as did Mr. Meloy, who commented that it cannot be done ~ different group = different fee. Sen. Keating and the rest of the committee want to give a copy of the requested fiscal note to the press and have a conference. Mr. Meloy would like to have a drafted letter by this subcommittee delineating the source of problems they are experiencing with CI-75.

To address the globals, Mr. Meloy asked all to turn to page C-206 of the LBA 2001 budget book. Sen. Keating commented that all the globals from yesterday were covered in Sen. Crismore's motion. Discussion ensued of HB 252.

**HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - LOCAL GOVERNMENT
SERVICES DIVISION**

Newell Andersen, Administrator, Local Government Assistance Program, handed out a 1999 Appropriations Briefing packet on the division as an overview presentation aide. Brochures were also handed out on The Montana Community Development Block Grant Program, The Public Works Money Database, The Community Technical Assistance Program, and The Montana Treasure State Endowment Program.

EXHIBIT(jnh29a02), **EXHIBIT(jnh29a03)**, **EXHIBIT(jnh29a04)**, **EXHIBIT(jnh29a05)**, & **EXHIBIT(jnh29a06)**, respectively.

Dave Cole, Chief of Community Development Block Grant Program (CDBG), discussed the Block Grant Program, then addressed his

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handout on CDBG and TSEP Applicants and Recipients: 1982-present.
EXHIBIT (jnh29a07)

Chairman Witt commented on local government from his experience, and thinks the program has been good. **Rep. Tropila** commented also.

Mr. Andersen discussed pages **C-225** and **C-226** of the LBA 2001 budget book, dealing with the Hard Rock Mining Impact Board. **Sen. Keating** inquired if he was discussing just the base adjustment, or if the Hard Rock Metalliferous Mines tax were sufficient to fund the board. **Carole Ferguson, Administrator, Hard Rock Mining Impact Board**, commented, while handing out an information laden folder.

EXHIBIT (jnh29a08)

Sen. Keating inquired if the accounts mentioned in **Ms. Ferguson's** folder are drained, then moved on to questioning her thoughts on SB 49. **Mr. Andersen** commented that he needs a full base for the Hard Rock Mining Impact Board.

Break @ 10:00am {Tape : 2; Side : B; Approx. Time Counter : 26.9}

Chairman Witt questioned **Ms. Moore** on the requested fiscal note, and **Director Blouke** suggested that the subcommittee request that the LFD do an analysis also.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - COMMUNITY
DEVELOPMENT DIVISION**

{Tape : 2; Side : B; Approx. Time Counter : 28.5}

Motion/Vote: **REP. HAINES** moved that an **ANALYSIS BE DONE AS A COLLABORATIVE EFFORT BETWEEN LFD AND OBPP**. Motion carried unanimously.

*Sen. Crismore was not present.

DP 6001

Action was taken on this decision package previously.

DP 6002

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - COMMUNITY
DEVELOPMENT DIVISION**

{Tape : 3; Side : A; Approx. Time Counter : 0.5}

Motion/Vote: SEN. KEATING moved that DP 6002 BE ADOPTED.
SECONDED by REP. HAINES. Motion carried unanimously.
*Sen. Crismore was not present.

DP 6003

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - COMMUNITY
DEVELOPMENT DIVISION**

{Tape : 3; Side : A; Approx. Time Counter : 1.9}

Motion/Vote: SEN. KEATING moved that DP 6003 BE ADOPTED.
SECONDED by SEN. NELSON. Motion carried unanimously.
*Sen. Crismore was not present.

DP 6004

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - COMMUNITY
DEVELOPMENT DIVISION**

{Tape : 3; Side : A; Approx. Time Counter : 2.2}

Motion/Vote: SEN. KEATING moved that DP 6004 BE ADOPTED.
SECONDED by SEN. NELSON. Motion carried unanimously.
*Sen. Crismore was not present.

DP 6005

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - COMMUNITY
DEVELOPMENT DIVISION**

{Tape : 3; Side : A; Approx. Time Counter : 3.5}

Motion/Vote: SEN. KEATING moved that THE BALANCE OF DP 6005 BE
ADOPTED. SECONDED by REP. HAINES. Motion carried unanimously.
*Sen. Crismore was not present.

**HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - LOCAL GOVERNMENT
SERVICES DIVISION**

Newell Andersen addressed this division, and Greg DeWitt
commented on some proprietary funding.

DP 6204, DP 6205, & DP 6207

Sen. Keating inquired about MetNet, then questioned the
proprietary account. Mr. DeWitt clarified DP 6204, DP 6205, and

DP 6207, which are all HB 2, and the committee has these proprietary rates to approve.

Sen. Keating questioned the base at this point, and **Sen. Nelson** asked about the travel budget and savings of MetNet. **Sen. Keating** then commented on DP 6207 and why it is general fund.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - LOCAL
GOVERNMENT SERVICES DIVISION**

{Tape : 3; Side : A; Approx. Time Counter : 13.1}

Motion/Vote: SEN. KEATING moved that DP 6204, DP 6205, & DP 6207 BE ADOPTED. SECONDED by REP. HAINES. Motion failed 3-3 with Crismore, Haines, and Keating voting aye.

Proprietary Rates

Mr. Andersen commented on the proprietary rates, noting that the audits have reduced their rates. **Mr. DeWitt** commented that since this is an enterprise type rate, not internal, the committee does not even have to approve rates for the funds on page **C-230** of the LBA 2001 budget book.

Bill Hoffman commented on page **C-233** of the LBA 2001 budget book, noting that the Local Government Assistance proprietary rates are internal, so the committee must take action on them.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - LOCAL
GOVERNMENT SERVICES DIVISION**

{Tape : 3; Side : A; Approx. Time Counter : 19.1}

Motion/Vote: SEN. KEATING moved that THE REQUESTED INTERNAL PROPRIETARY RATES FOR THE LOCAL GOVERNMENT ASSISTANCE ADMINISTRATION PROGRAM BE ADOPTED. SECONDED by SEN. NELSON. Motion carried unanimously.

**HEARING ON HB 2 - DEPT, OF COMMERCE BUDGET - BUILDING CODES
DIVISION**

Jim Brown, Administrator, Building Codes Division, gave a brief overview presentation of the division. He also handed out brochures on Building Information, Boiler Safety, and Electrical Information, along with a Building Codes Division overview packet.

EXHIBIT(jnh29a09), **EXHIBIT(jnh29a10)**, **EXHIBIT(jnh29a11)**, &
EXHIBIT(jnh29a12), respectively.

Rep. Tropila asked if the department/division has its own printshop, and **Chairman Witt** inquired about the number of people they contract with.

Mr. DeWitt introduced the CI-75 issue into this division on page C-235 of the LBA 2001 budget book. **Mr. Brown** then discussed the shortfall issue, and **Sen. Keating** asked if that was a temporary appropriation for the apprenticeship program, and if that was an amendment in HB 2 last session.

Shirley Moore commented, agreeing with comments from **Mr. Brown** that the department is in a "real pickle". **Mr. Brown** commented that they have not contracted anyone to sponsor a bill yet. **Chairman Witt** asked **Director Blouke** about money in HB 252, and **Sen. Keating** commented that there is no money in building codes now for apprenticeship program.

DP 6501

Sen. Keating commented on decreases with replies from **Mr. DeWitt**. **Rep. Haines** asked what is the rationale between buying and leasing.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - BUILDING
CODES DIVISION**

{Tape : 3; Side : B; Approx. Time Counter : 18.3}

Motion/Vote: **SEN. KEATING** moved that DP 6501 BE ADOPTED.
SECONDED by **SEN. CRISMORE**. Motion carried unanimously.

DP 6502

Chairman Witt asked if there is a "sunset" on this HB 388.

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - BUILDING
CODES DIVISION**

{Tape : 3; Side : B; Approx. Time Counter : 19.9}

Motion/Vote: **SEN. KEATING** moved that DP 6502 BE ADOPTED.
SECONDED by **SEN. CRISMORE**. Motion carried unanimously.

DP 6503

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - BUILDING
CODES DIVISION**

{Tape : 3; Side : B; Approx. Time Counter : 20.2}

Motion/Vote: SEN. KEATING moved that DP 6503 BE ADOPTED.
SECONDED by SEN. CRISMORE. Motion carried unanimously.

Sen. Nelson commented that this division really needs to work on its public relations, especially in rural areas. **Rep. Tropila** commented, reiterating the Senators concern.

**HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - HEALTH FACILITY
AUTHORITY**

Mr. DeWitt discussed enterprise versus internal rates at the request of **Rep. Haines**.

Jerry Hoover, Executive Director, MT Health Facility Authority, gave a brief division overview presentation, commenting that it is made up of pure enterprise funds. The fee revenues are charged to clients, and are used for operational expenses. He then referred to the schedule on page **C-238** of the LBA 2001 budget book. **Mr. Hoover** also handed out a copy of the Health Facility Authority Biennial Report 1996-1997.

EXHIBIT (jnh29a13)

Mr. DeWitt commented that no action needs to be taken on this division unless the committee sees a problem. **Rep. Tropila** asked about the LFD Issue on page **C-239** of the LBA 2001 budget book.

Rep. Tropila then commented on the Building Codes Board and the fact that it needs an attitude adjustment. **Rep. Haines** and **Sen. Nelson** both supported his comments, then commented themselves that money for training does not do what really needs to be done.

**HEARING ON HB 2 - DEPT. OF COMMERCE BUDGET - MT SCIENCE & TECH
ALLIANCE**

Andy Poole handed out a Brief Summary MSTa as of 2/2/99, then gave a brief overview presentation. There was also a discussion of HB 480.

EXHIBIT (jnh29a14)

Sen. Keating questioned the full-time FTE noted in the LFD Comments on page **C-240** of the LBA 2001 budget book. He inquired

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if the Board of Investments has people capable of doing the job. He also commented that he was thinking of dropping that FTE if MSTA moves into the Board of Investments. **Mr. Poole** commented that he thinks it would be best to keep a person. **Mr. DeWitt** commented and asked for clarification of the request. **Sen. Keating** commented that the committee can go on and deal with the present law adjustments, while letting this issue run its course through the legislature.

DP 7301, DP 7302 & DP 7303

**EXECUTIVE ACTION ON HB 2 - DEPT. OF COMMERCE BUDGET - MT SCIENCE
& TECH ALLIANCE**

{Tape : 4; Side : A; Approx. Time Counter : 18.3}

Motion/Vote: **SEN. KEATING** moved that **DP 7301, DP 7302 & DP 7303**
BE ADOPTED. SECONDED by **SEN. NELSON**. Motion carried unanimously.

ADJOURNMENT

Adjournment: 11:37 A.M.

REP. JOHN WITT, Chairman

SUMMER ALGER, Secretary

JW/SA

EXHIBIT (jnh29aad)